Home institutional imprinting and lobbying expenditure of foreign firms: moderating effects of experience and technological intensity

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Abstract The issue of whether a firm's 'home' environment influences its nonmarket activities in a 'host' country is being increasingly discussed in the international business literature. In this paper, we use institutional and organisational imprinting theories to argue that multinational enterprises (MNEs) founded in countries with stronger regulatory institutions are likely to spend more on lobbying in a host country as compared to MNEs founded in countries with weaker regulatory institutions. We also argue that this effect is moderated by the MNE's overall experience, its experience within the host country, and its technological intensity. We test our hypotheses using a sample of 378 foreign MNEs (among the largest 500) operating in the United States (U.S.), spanning the 8 year period 2006-2013, and representing 29 home countries. Our results support our hypothesis on the relationship between home-institutional imprinting and overseas lobbying expenditure, as described above. Our results also support our arguments that MNEs' overall experience and technological intensity reduce the imprinting effect of home institutions on lobbying expenditure; however, our moderating effect of host-country experience on this relationship is not supported.

Keywords: corporate political activity, nonmarket strategy, lobbying, multinational enterprises, organisational imprinting, international business

Introduction

Scholars have acknowledged that the strategic actions of firms are often determined by the institutional conditions faced by them at the time of their founding (Kriauciunas and Kale, 2006;Stinchcombe, 1965). Multinational Enterprises (MNEs) locate their value-chain activities in multiple institutional contexts, and therefore face a multitude of nonmarket stakeholders in various countries, such as changing governments with conflicting agendas, changing social needs and changing attitudes of local business communities (Simon, 1984;Kobrin, 1979). MNEs are known to manage such institutional idiosyncrasies over time exogenously, for instance, via sequential stages of entry (Delios and Henisz, 2003b, a) and by engaging in nonmarket activities to influence host-governments for preferential access and exclusivity (Boddewyn and Brewer, 1994;Doh, Lawton and Rajwani, 2012). An important issue that remains under-explored in this context is that, while MNEs learn to adapt to the demands of the nonmarket environment in various host countries, to what extent does the 'imprinting' effect of their nonmarket capabilities developed at home influences their nonmarket behaviour in host countries.

Lobbying, defined as the transfer of information between firms and policymakers, has been regarded as an important form of nonmarket strategy (De Figueiredo and Richter, 2013;Hillman, Keim and Schuler, 2004;Rodriguez, Siegel, Hillman and Eden, 2006). Although lobbying has been traditionally studied under the umbrella of corporate political activities (CPAs) i.e. to serve a firm's self-interests by demanding favorable policies from the government (Hillman et al., 2004;Lawton, McGuire and Rajwani, 2013a;Schuler, Rehbein and Cramer, 2002), scholars have argued that lobbying is also a part of firms' social responsibility (e.g. Hamilton and Hoch, 1997;Keffer and Hill, 1997;Wood, 1985). Wood (1985), for instance, argues that lobbying enables firms to promote the interests of various stakeholders, such as of customers in demanding quality goods, of employees of having continued jobs and incomes,

and of shareholders of expecting reasonable profits. Lobbying thus provides a legitimate mechanism for MNEs to address their social as well as political needs in their home and host environments.

Prior research on MNEs' overseas lobbying has largely focussed on the institutional characteristics of 'host countries' – e.g. the (un)availability of legitimate mechanisms to lobby (via information exchange) and the extent to which MNEs learn to develop alternative, locally accepted mechanisms to voice their opinions to the host-government (Henisz, 2003;Holburn and Zelner, 2010;Hillman and Wan, 2005;Zhou, Poppo and Yang, 2008;Xin and Pearce, 1996;Lawton, Rajwani and Doh, 2013b). An important assumption made in these studies is that MNEs would use lobbying as a mechanism in a host country if legitimate business-government interfaces were available for such activity. We first suggest that, blending this work with 'organisational imprinting' perspectives (Stinchcombe, 1965) could be a way forward in understanding how an MNE's 'home environment' affects its overseas lobbying. Having its roots in biology, imprinting is the durable influence of certain experiences and knowledge developed at the time of founding on an organisation's approach to new situations. Studies suggest that depending on the nature of MNEs' home-institutions, managers develop specific capabilities and routines to interact with external stakeholders. In this context, stronger home institutions encourage lobbying, whereas institutional 'voids' encourage the use of bribery and other mechanisms by firms (Campos and Giovannoni, 2007). We suggest that due to imprinting effects of home-institutions, MNEs founded in such contexts would develop 'mental models' of interacting with the government (Denzau and North, 1994;Holburn and Zelner, 2010;Kriauciunas and Kale, 2006;Boddewyn, 2015) and that, these are likely to extend to MNEs' overseas operations. Therefore, our first research question is: *To what extent does home-institutional imprinting affect foreign firms' lobbying expenditure in a host country?*

Second, we suggest that 'MNEs' experience' - both overall and host-country specific, and their 'technological intensity' moderate the relationship between home-institutional imprinting and overseas lobbying behaviour. Imprinting theory suggests that firms are more vulnerable to external pressures during 'developmental stages' – i.e. newer firms have greater imprinting effects than older firms (Freeman, Carroll and Hannan, 1983). As MNEs generally grow older, they develop 'generic' political knowledge, reducing the imprinting effects of institutional conditions at the time of founding (Blumentritt and Rehbein, 2008;Delios and Henisz, 2003a;Henisz, 2003;Holburn and Zelner, 2010;Bonardi and Vanden Bergh, 2015). Likewise, as MNEs gain experience in a specific host-country, they are likely to gain deeper and more 'institution-specific' political knowledge of the host country (Boddewyn, 2015;Buckley and Boddewyn, 2015). We argue that, in general, experience reduces home-institutional imprinting effects in overseas lobbying. We also acknowledge the possibility that the imprinting effects of home-institutions vary among different types of firms. In this context, we suggest that the technological intensity of the MNE is an important variable, as previously acknowledged (e.g. Hsu and Lim, 2013). This is because, technologically intensive MNEs tend to be embedded in multiple institutional contexts, and this reduces the imprinting effect of home-institutions. Overall, this leads us to our second research question: *To what extent do experience and technological intensity moderate the relationship between home-institutional imprinting and lobbying expenditure of foreign firms in a host country?*

In this paper, we focus on the 'regulatory' (i.e. formal) characteristics of home-institutions, although institutions comprise of regulatory, cognitive and normative pillars (Scott, 1995). This is because, first, various studies suggest that regulatory factors are more likely to have an impact on corporate political behaviour in comparison to normative and cognitive factors (Campos and Giovannoni, 2007;Harstad and Svensson, 2011;Mondejar and Zhao, 2013). Also, regulative factors are coercive and cannot be taken for granted by firms, and are

therefore likely to have a greater imprinting effect. In addition, scholars have argued that focussing on all three pillars of institutions provides a rather broad basis for analysis, leading to oversimplification (Zaheer, Schomaker and Nachum, 2012).

Our primary contribution lies in advancing theory on cross-border lobbying and we do so by examining the extent to which the nature of regulatory institutions in the home-country affects MNEs' lobbying expenditures in the host country. To test our hypotheses, we focus on the United States (U.S.) as a context, because lobbying has been recognised as a legitimate activity for foreign firms in the U.S. since decades, while other mechanisms of political activity such as contributions to Political Action Committees (PACs) have been legitimised for foreign MNEs recently (Levitt, 2015). Overall, by combining institutional theory with organisational imprinting perspectives, we complement existing knowledge about the determinants of cross-border lobbying, that has, so far, largely focussed on the characteristics of, and mechanisms available in 'host countries'. We also offer new pathways for research on nonmarket strategy by majorly drawing upon a new theory (i.e. organisational imprinting), which has, to date, not been discussed in the context of lobbying. We also contribute by integrating experiential learning perspectives (Delios and Beamish, 2001;Delios and Henisz, 2003b); in that, we suggest that experience enables MNEs to develop localised political capabilities and minimise home imprinting effects in lobbying. Finally, by examining the moderating effect of MNEs' technological intensity on the relationship between institutional-imprinting and overseas lobbying, we contribute to studies that focus on the importance of MNEs' multiple embeddedness (Figueiredo, 2011;Meyer, Mudambi and Narula, 2011) for lobbying internationally (Blumentritt and Rehbein, 2008;Hillman and Wan, 2005;Puck, Rogers and Mohr, 2013;Shirodkar and Mohr, 2015b).

In the following sections, we formulate our hypotheses on the relationship between home-institutional imprinting and lobbying expenditure, and on the moderating effects of experience and technological intensity. We then describe our data and present our findings. Finally, we discuss our results, and conclude our paper by highlighting our contributions, limitations and suggesting worthwhile avenues for future research.

Theoretical Background and Hypotheses

We combine insights from two theories – institutional theory and organisational imprinting theory – to develop our hypotheses. First, the institutional theory suggests that 'regulatory, normative and cognitive' elements of the external environment determine strategic choices of firms - such as ownership strategies, staffing, product development, and resource-access mechanisms (North, 1990;Kostova, Roth and Dacin, 2008;Peng, 2003;Brouthers, 2002;Jackson and Deeg, 2008;Peng, Wang and Jiang, 2008;Gaur, Delios and Singh, 2007;Chan, Isobe and Makino, 2008). As MNEs operate in multiple institutional contexts, they face a multitude of political and social stakeholders with different and often conflicting expectations. Differences between MNEs' home and host institutions often put MNEs in a dilemma – i.e. whether a firm (in specific host contexts) should interact with external stakeholders in ways that are considered 'internally' legitimate i.e. with respect to firms' core values and morals, as against what is considered 'externally' legitimate with respect to the isomorphic pressures in individual host countries (Hillman and Wan, 2005;Doh et al., 2012). Studies suggest that stronger regulatory institutions in MNEs' home countries, characterised by greater political stability, better law enforcement, control of corruption and effective governance encourage the use of lobbying (via information exchange) as against the use of other illegitimate forms of influence such as bribery and connections (Campos and Giovannoni, 2007). Strong regulatory institutions provide legitimate business-government interfaces that pressurise firms to move away from bribery towards lobbying via information (Harstad and

Svensson, 2011). Although differences between political systems (autocratic vs. democratic) and firm and industry-level heterogeneity also determine the use and effectiveness of lobbying (Hillman et al., 2004), in general, firms are more likely to adopt lobbying in political systems characterised by high levels of stability and institutional development.

Second, the organisational imprinting theory (Stinchcombe, 1965) argues that the 'founding' conditions of organisations have implications on their future actions. Imprinting theory argues that conditions in the external environmental surrounding firms at the time of their founding 'get stamped' onto organisational behaviour, and that these characteristics persist even in the face of subsequent environmental changes (Marquis and Tilcsik, 2013;Eisenhardt and Schoonhoven, 1990;Kriauciunas and Kale, 2006;Shinkle and Kriauciunas, 2012). Imprinting theory suggests that under common conditions of uncertainty, managers are likely to develop common 'mental models' of interpreting the environment and taking actions (Denzau and North, 1994). Home-institutional imprinting, in this context, refers to the common external constraints faced by MNEs in their home environments – levels of political stability, government effectiveness, corruption, that create similar perceptions of risk among firms founded in these environments. These subsequently have a lasting effect on firms' political knowledge and the capabilities developed to deal with uncertainties (Holburn and Zelner, 2010). Thus the home country's institutional environment can provide the firm with elements of 'political knowledge' (Bonardi and Vanden Bergh, 2015) that, we suggest, has an imprinting effect when they subsequently operate in a foreign environment. Lobbying, in our case, as a means of interacting with policymakers in a host country, thus depends on the imprinting effect of political knowledge developed by MNEs in their home countries. We therefore argue that the use of lobbying in a host country depends on the extent to which regulatory institutions in the MNE's home country have developed to support this activity.

The effect of home-institutional imprinting on MNEs' overseas lobbying expenses

As previously described, stronger regulatory institutions facilitate lobbying, whereas weaker institutions reduce the scope of lobbying. This is because institutional voids and unstable governments reduce the effectiveness of lobbying and increases the scope of using other alternatives (such as bribery and connections) (Campos and Giovannoni, 2007;Harstad and Svensson, 2011). Therefore MNEs founded in home countries with well-developed institutions develop generic political knowledge of lobbying, whereas, MNEs founded in home countries with weaker regulatory institutions develop more specific nonmarket capabilities such as in exploiting family or political connections (Sheng, Zhou and Li, 2011;Shirodkar and Mohr, 2015a;Zhou et al., 2008). In either case, this forms an important part of an MNE's political knowledge embedded in its people (i.e. employees engaged in lobbying) and organisational routines deployed in interacting with the nonmarket environment (Bonardi, 2011;Bonardi and Vanden Bergh, 2015). In line with imprinting theory, such knowledge and capabilities are imprinted within MNEs, such that managers would find it difficult to 'unlearn' the habits and routines when faced with a new environment (de Holan, Phillips and Lawrence, 2004;Zahra, Abdelgawad and Tsang, 2011). Thus, due to the imprinting effect of the MNEs' home environment, managers would (cognitively) perceive the adoption of new practices in host countries as uncertain and risky as well as socially unjustifiable to their organisational values and norms (Oliver, 1997). We therefore expect that stronger regulatory institutions at home increase MNEs' generic knowledge of lobbying; and due to the imprinting effects of such knowledge, such MNEs will be more likely to lobby in their host environments. Based on this we formulate our hypothesis:

H1: MNEs founded in countries with stronger regulatory institutions are likely to spend higher on lobbying the host-government than those founded in countries with weaker regulatory institutions.

The moderating effect of experience

Imprinting theory suggests that the imprinting effect of external environments on the firm is greater among newer organisations than among older organisations (Carroll and Hannan, 1989;Freeman et al., 1983). Under the 'liabilities of newness' concept (Stinchcombe, 1965), new-born organisations face greater chances of mortality than older organisations due to their lack of experience, and due to their greater reliance on 'strangers' whom they must trust in the process of building ties and relationships. In this context, we suggest that the imprinting effect of MNEs' home environment to pursue lobbying in host countries reduces with their overall experience and with the specific experience within the host country. This is because of the following reasons.

As previously argued, firms founded in countries with stronger regulatory institutions are expected to develop greater capabilities in lobbying as compared to firms founded in countries with weaker regulatory institutions; and this has an imprinting effect on their political knowledge and capabilities. Within this context, new-born firms are faced with relatively specific external stakeholders that control specific resources critical for their survival (Freeman et al., 1983). Therefore in order to survive, new-born firms – as compared to older firms – tend to develop specialised knowledge about external institutional conditions with rare or unique features to understand the regulatory or policymaking process (Bonardi and Vanden Bergh, 2015). Such specialised political knowledge and capabilities imprinted within new-born firms are less likely to be useful in other institutional settings – e.g. when such firms expand their operations overseas. However, as firms grow older, they face a multitude of external

stakeholders, and this causes them to develop greater 'generic political knowledge', i.e. knowledge about a variety of regulatory frameworks and how the policymaking process differs among various institutional settings (Delios and Henisz, 2003b, a;Holburn and Zelner, 2010;Perkins, 2014;Zhou and Guillén, 2015). Such generic political knowledge can be deployed across various institutional settings and complemented with more specific knowledge of the host country (Bonardi and Vanden Bergh, 2015;Zhou and Guillén, 2015). We therefore expect that the political knowledge imprinted within firms at the time of founding is likely to fade away with experience in general.

Similarly, MNEs' specific experience within the host-country is likely to reduce the imprinting effect of their political knowledge developed within home countries. This is because, MNEs new to a host country lack the specific knowledge of regulatory and other stakeholders' expectations, and therefore generally suffer from liabilities of foreignness (Zaheer, 1995;Stevens, Xie and Peng, 2015). Under these conditions, the imprinted knowledge of their home institutions forms an important part of their strategic decisions in the host country. However, with greater experience of the host-political context, MNEs learn to identify optimal areas of complementarity with various external stakeholders (Luo and Peng, 1999;Moeller, Harvey, Griffith and Richey, 2013). Host-country experience also enables MNEs to learn to manage the 'unfamiliarity and relational hazards' in the host-political context (Gaur and Lu, 2007;Delios and Henisz, 2003b;Henisz, 2003;Hitt, Li and Xu, 2016;Shirodkar and Konara, 2016) and gain the necessary institution-specific political knowledge – e.g. knowledge of specific politicians' policy preferences on a given topic, or the procedures governing decision-making (Bonardi and Vanden Bergh, 2015). Consequently the imprinting effect of political knowledge developed within their home country is likely to fade away with greater host-country experience. Therefore we suggest that:

H2a: The imprinting effect of home-country regulatory institutions on lobbying in a host country reduces with an MNE's overall experience.

H2b: The imprinting effect of home-country regulatory institutions on lobbying in a host country reduces with an MNE's host-country experience.

The moderating effect of MNEs' technological intensity

Imprinting theory suggests that the effect of the external environment stamped on firms' behaviour may also vary by the extent to which a firm develops technological and innovative capabilities (Felin and Zenger, 2009;Hsu and Lim, 2013). In particular, technological capabilities developed by firms reduce the imprinting effects of external institutions. Hsu and Lim (2013), for instance, suggest that managers within technologically intensive firms cognitively develop greater capabilities in 'exploring' and 'habitually seeking opportunities to reapply knowledge' to offer innovative products and services in markets that extend beyond their local institutional boundaries. Taking this argument to the context of MNEs, we suggest that MNEs' technological intensity reduces the imprinting effect of home-country regulatory institutions on lobbying overseas. This is because of the following reasons.

Technologically intensive MNEs often have greater fixed costs associated to fewer innovative products, and are therefore motivated to internationalise in various leading markets at the same time, regardless of institutional differences between their home and host countries (Madsen and Servais, 1997). For instance, high-tech start-ups often internationalise in an accelerated fashion (e.g. by exporting at founding stages) wherein they rely on a trustworthy network of international partners having both market and nonmarket capabilities (Madsen and Servais, 1997;Bloodgood, Sapienza and Almeida, 1996;Pla-Barber and Escribá-Esteve, 2006). In addition, consistent with literature on 'technological clusters' (Porter, Whittington and

Powell, 2005), the continued survival and success of technologically intensive MNEs depends on the extent to which their managers (or export partners) develop long-term socio-political relationships in various host-countries and tap into multiple sources of knowledge (Ambos and Birkinshaw, 2010;Figueiredo, 2011). This increases the need for such MNEs to embed in multiple institutional settings and interact with a diverse network of foreign government agencies, universities and research institutes on a continuous basis (Ciabuschi, Holm and Martín, 2014;Figueiredo, 2011;Meyer et al., 2011). Technologically intensive MNEs thus develop 'generic political knowledge' in this process and are likely to have lesser home-institutional imprinting effects.

By contrast, firms investing lesser in technological and innovative capabilities derive their competitive advantage from 'exploiting' their existing knowledge and capabilities rather than exploring new sources of knowledge (Hsu and Lim, 2013;March, 1991). Among such firms, the external institutional constraints and pressures play a greater role in the firm's survival and success, and the ability to manage these constraints better than competitors forms an important source of their advantage. While operating in host-countries, such ingrained capabilities within technologically less-intensive MNEs cause them to rely on their well-founded knowledge and institutional linkages developed through embedding deeply within their home-country institutional environment (Oliver, 1997;Gulati, 1999;Boddewyn, 2015). The imprinting effect of home-institutions is therefore likely to be greater among technologically less-intensive MNEs. Based on this we propose that:

> *H3:* The imprinting effect of home regulatory institutions on lobbying in a host country reduces with an MNE's technological intensity.

Methodology

Research context and Sample

We collected our firm level data from Bureau van Dijk's ORBIS database and the lobbying data from the Center of Responsive Politics (CRP; www.opensecrets.org). We selected the largest 500 MNEs[1] operating in U.S. The CRP does not include bribes and other forms of obtaining political influence, and therefore has been used in several studies on lobbying in the past (Duso and Jung, 2007;Goldman, Rocholl and So, 2009;Mattozzi, 2008;Schuler et al., 2002). Our final sample consists of 378 firms spanning the 8 year period: 2006-2013, representing 29 home countries (see Table 1 for a full list countries represented by this dataset and the breakdown of the number of MNEs for each home country). Altogether, there are 2863 firm year observations.

*** Insert Table 1 about here ***

Measures

We measured lobbying expenditure by the total expense incurred by an MNE on lobbying in the U.S. in a given year. This is our dependent variable.

Our key explanatory variable is the *institutional imprinting* of the MNE's home country. We operationalised this variable using Kaufmann's Worldwide Governance Indicators that have been most popularly used as a measure of the quality of formal institutions (Dikova, 2009;Kolstad and Wiig, 2012). For each country, six dimensions of governance, i.e. Voice and Accountability (VA), Political Stability and Absence of Violence (PS), Government Effectiveness (GE), Regulatory Quality (RQ), Rule of Law (RL), and Control of Corruption (CC) are reported in Worldwide Governance Indicators. We also used a composite institutional variable (GOV) constructed by carrying out factor analysis[2] on these six governance indicators.

[1] The choice of firms was based on the data availability.
[2] This composite variable accounted for 99% of the variance of the variance of the six Governance Indicators.

Guided by previous literature and empirical evidence, we included several control variables. First, we control for MNE's *size* and *age*, together, they capture the MNE's resources, capabilities and reputation, as discussed in prior studies (Hillman and Wan, 2005). In order to control for the size of the U.S. operation, we include a number of U.S.-based subsidiaries of the MNE. We also control for the MNEs' *status*, i.e. whether the MNE is a publicly listed firm or not. We also control for the *technological intensity* of the MNE, which has been recognised to affect lobbying (Ozer and Lee, 2009). We operationalised technological intensity by dividing the number of patents by the total assets of the MNE. Number of patents registered under a firm is often used as a measure of intangible assets that the firm possess (Riahi-Belkaoui, 2003).

In addition to the firm level determinants, we also included several host country specific variables that could potentially affect the lobbying activities. We include the *economic growth rate* of the host country (i.e. U.S.), because this has been previously argued to affect the extent to which firms would engage in political activities (Rama, 1993). Since political activities by firms have been found to increase during election cycles (Hart, 2001), we include a dummy variable to control for whether there was presidential election in the U.S. during our timeframe (i.e. 2006-2013). We also control for the financial crisis (i.e. for the years 2007, 2008 and 2009) using a dummy, because this has been previously argued to increase firms' involvement in lobbying (Sikka, 2009). In addition, we control for cultural factors that have been previously argued to affect lobbying in an international context (MacArthur, 1996). We include a composite measure of cultural distance based on the 9 cultural dimensions reported in GLOBE study: assertiveness, institutional collectivism, in-group collectivism, future orientation, gender egalitarianism, humane orientation, performance orientation, power distance, uncertainty avoidance. Following prior research (Schwens, Eiche and Kabst, 2011), we selected the 'practices' indices of these 9 dimentions and constructed a cultural distance measure based on Kogut and Singh's (1988) method, which is the most popular method that have been adopted

in constructing a composite measure of cultural distance. Finally, we control for the education and skills and the strength of intellectual property protection of the home country. World Economic Forum published 'higher education and training' measures in the Global Competitiveness Index, a composite index based on education, quality of education and on-the-job-training, and we use this measure to control for the education and skills. We use the Measure of intellectual property protection strength published in the same source to control for IPR strength.

Our baseline specification takes the following form:

$$LOBEXP = \beta_0 + \beta_1 HII + \beta_2 TECH + \beta_3 SIZE_{it} + \beta_4 AGE_{it} + \beta_5 NSUBS + \beta_6 PUBLIC + \beta_7 GDPG + \beta_8 CDIST + \beta_9 DIST + \beta_{10} ELECTION + \beta_{11} FCRISIS + \beta_{12} HC + \beta_{13} IPR$$

where LOBEXP and HII are lobbying expenses and home-institutional imprinting of the MNE, respectively. SIZE and AGE are the log values of MNEs' operating revenue and the age, respectively. NSUBS is the number of U.S. subsidiaries of the MNE. PUBLIC is a dummy variable to capture whether the MNE is a public limited company (PUBLIC =1) or not (PUBLIC =0). TECH is the technological intensity. GDPG is the GDP growth rate in the U.S. CDIST and DIST are the cultural distance and geographic distance between the home country and the U.S., respectively. ELECTION is a dummy variable capturing whether a presidential election has taken place in a particular year (=1) or not in the U.S. FCRISIS is a dummy variable representing the effects of financial crisis that takes the value of 1 for years 2007, 2008 and 2009. HC is the education and skills of the home country and IPR is the intellectual property protection of the home country. USEXP measures the MNEs experience in US, i.e. the number of years from the MNEs first entry to U.S. Similar to AGE, we used the log value of this measure. This variable is used to examine the moderating effect of U.S experience on the relationship between home-institutional imprinting and lobbying. We compiled this variable by

going through the annual reports and the corporate websites of the respective MNEs, however, we could not find this information for all the MNEs, hence our sample for the model that tests the moderating effect of U.S. experience on the relationship between home institutional imprinting and lobbying is smaller compared to the sample of the baseline model. Finally, we include a series of industry dummies[3] to control for other industry-level characteristics that could potentially impact any lobbying activities. It is important to control for industry fixed-effects as not only the extent of lobbying activities can vary among industries, but also lobbying activities can be affected by differences in industry-level regulations. The sources of all variables and their measurements are summarized in Appendix 1.

Results

Descriptive statistics and correlation coefficients are presented in Table 2. The worldwide governance indicators used as measures of institutional distance are highly correlated with each other (as expected), but this is not a problem because we have used each indicator in a separate regression model. All estimations were estimated with cluster[4] robust standard errors to control for heteroscedasticity.

*** Insert Table 2 about here ***

Table 3 presents the results for the direct effect of *home-institutional imprinting* on MNEs' *lobbying expenditure*. First column reports the estimated results for the composite

[3] Industry fixed effects were defined at the following industry classification: A - Agriculture, forestry and fishing, B - Mining and quarrying, C - Manufacturing, D - Electricity, gas, steam and air conditioning supply, E - Water supply; sewerage, waste management and remediation activities, F – Construction, G - Wholesale and retail trade; repair of motor vehicles and motorcycles, H - Transportation and storage, I - Accommodation and food service activities, J - Information and communication, K - Financial and insurance activities, L - Real estate activities, M - Professional, scientific and technical activities, N - Administrative and support service activities, O - Public administration and defence; compulsory social security, S - Other service activities

[4] We clustered the standard errors at both the country level and the sector level.

institutional variable (GOV) and the rest of the columns reports the results estimated for individual measures of six governance indicators. With regard to the direct effect of institutional imprinting of the MNE's home country, our models 3.1 through 3.7 show that estimated coefficients of all seven institutional imprinting variables are positive. In model 3.1, the composite institutional variable is positive and significant ($p<0.01$). In models 3.2-3.7; except for political stability, all other measures of governance indicators are significant. The magnitude of the estimated effect is considerably large. For example, in model 3.1 the estimated coefficient of the home-institutional imprinting variable is 317.6. This means, one unit increase in the home-institutional imprinting variable will increase lobbying expenditure by US$ 317,600. This effect is considerably large given that the average lobbying expenditure in our sample is US$ 368,260. We also split the total sample into two groups at the median value of the composite institutional variable (GOV) and carried out the analysis for the two samples separately. Results are reported in Table 4. The estimated coefficient of the home-institutional imprinting variable is positive and significant in both samples. The coefficient of GOV is about seven times larger in the sample with countries with institutional value above the median as compared to that of the other sample. This shows that MNEs from institutionally advanced countries are very active in lobbying in the US.

*** Insert Tables 3 and 4 about here ***

To examine the moderating effect of the MNE's general experience on the home-institutional imprinting - lobbying expenditure relationship, we interact the institutional imprinting variables with the age (AGE) of the MNE, and the estimated results are reported in Table 5. The interaction term is negative in all estimations except that with government effectiveness (GE), and the interaction term is significant in two estimations. The magnitude of the marginal effects of home-institutional imprinting decrease considerably when MNE's

general experience increases, at least in some of the estimations. For example, in model 5.2, the marginal effect of home-institutional imprinting decreases from 465.2 to 133.9 when MNE's general experience increases from its lowest value to the highest value.

*** Insert Table 5 about here ***

To examine the moderating effect of MNEs' host-country experience on the institutional imprinting - lobbying expenditure relationship, we interact the institutional imprinting variables with US experience of the MNE (USEXP), and the estimated results are reported in Table 6. As expected, the interaction term is negative in all estimations except one. However, none of the coefficients are significant.

*** Insert Table 6 about here ***

Next, we include our interaction term between home-institutional imprinting and the technological intensity (TECH) in our model and the results are reported in Table 7. The interaction term is negative in all seven models. It is significant in all models except for political stability and regulatory quality. The magnitude of the marginal effects of home-institutional imprinting decreases considerably when technological intensity increases. For example, in model 7.1, the marginal effect of home-institutional imprinting decreases from 316.3 to 132.4 when MNE's technological intensity increases from its lowest value to the highest value.

*** Insert Table 7 about here ***

Among our firm-level control variables (see Table 3), we found that the association between MNE size and lobbying expenditure is positive and strongly significant. This means that larger-sized MNEs would lobby more as compared to smaller-sized MNEs in the US, thus confirming that slack resources would be important for lobbying, as previously studied (Hillman and Wan, 2005). Similarly, NSUB shows significant positive association with

lobbying expenses, indicating that foreign MNEs having greater number of subsidiaries in the U.S. would lobby more, given the importance of the U.S. market. Among our distance-related control variables, DIST is significantly negatively associated with lobbying expenses, thus confirming that MNEs from geographically distant countries would lobby lesser than those from geographically closer countries, similar to studies that have previously examined this link (Hamilton and Hoch, 1997). CDIST (cultural distance) is also significantly negatively associated with lobbying, indicating that culturally distant countries lobby less. This result highlights that cultural factors are also an important factor in overseas lobbying among MNEs. In terms of home-country specific control variables, HC is not significant and IPR is insignificant in all estimations except one. Finally, among the host country specific variables, FCRISIS and ELECTION are both significantly positively associated with MNEs' lobbying – therefore consistent with past studies, MNEs would lobby more during specific events such as financial crises and election cycles (Hart, 2001;Sikka, 2009). Although some studies have argued that firms (in general) lobby more during periods with strong economic conditions (Rama, 1993), GDPG (i.e. GDP growth) is not significant in our results.

To test the robustness of our results, we re-estimated our estimations by including the 'democracy' indicator (for the home country) published in the *Polity IV: Regime Authority Characteristics and Transitions Dataset*. Our results remained largely intact. We also ran a further robustness test by employing the 'political constraint' indicator (for the home country) from the *Political Constraint Index (POLCON) Dataset* (Henisz, 2000, 2002). Our results remained largely intact again, except for the moderating effect of MNEs' general experience, which became insignificant when POLCON was included. Finally, as a third robustness test, in order to test the imprinting effect of a static (time invariant) measure of home-institutions, we

used the institutional measure in year 2005 and re-estimated our results. All our results remained intact[5].

Discussion

Our empirical results provide support to three out of our four hypotheses. First, regarding the role of *home-institutional imprinting* on MNEs' overseas lobbying expenses, our results support our organisational imprinting-based argument that stronger home-institutions increase firms' knowledge of lobbying (as against other types of political activity) (Bonardi, 2011;Bonardi and Vanden Bergh, 2015) making them more likely to use lobbying in their overseas operations. The nonmarket behaviour of MNEs in an international context has emerged as a central theme in international business research (Boddewyn, 2015). Various scholars have investigated these issues from a bargaining-power perspective (Eden and Molot, 2002;Fagre and Wells Jr, 1982;Ramamurti, 2001;Vernon, 1991), resource-based views and resource dependency perspectives (Hillman and Wan, 2005;Shirodkar and Mohr, 2015a;Blumentritt and Rehbein, 2008;Boddewyn and Brewer, 1994;Puck et al., 2013), and institutional perspectives (Doh et al., 2012;Henisz, 2003;Mondejar and Zhao, 2013). We contribute to this discussion theoretically as well as empirically by arguing that the imprinting effect of an MNE's home institutions provides an important channel that shapes its managers' political knowledge (Bonardi and Vanden Bergh, 2015) and hence its overseas nonmarket behaviour. Using organisational imprinting theory as an anchor, we also respond to the call for a better integration of the insights provided by this theory into the literature on nonmarket strategies in an international context (Holburn and Zelner, 2010).

[5] Results of the robustness tests are not presented here but can be made available upon request.

Second, our results partially support our arguments in regard to the moderating effect of *experience* on the relationship between home-institutional imprinting and MNEs' overseas lobbying. In this context, our results support our hypothesis 2a, in which we argue that MNEs' 'overall experience' reduces the imprinting effect of home-institutions on overseas lobbying. Here, our results support our imprinting-based arguments that newer firms have greater imprinting effects than older firms (Carroll and Hannan, 1989;Freeman et al., 1983). Our results here suggest that older MNEs from stronger institutional settings would possess greater 'generic political knowledge' (Bonardi and Vanden Bergh, 2015) – i.e. beyond the knowledge of lobbying that would be naturally imprinted within them as a result of their stronger home institutions - thus making them better equipped to use alternative mechanisms (e.g. PAC contributions), rather than lobbying in the U.S. Likewise older MNEs from weaker institutional settings would also possess greater generic political knowledge, beyond the knowledge of using family and other social connections which would have been naturally imprinted within them as a result of their weaker home institutions (Campos and Giovannoni, 2007), and such generic political knowledge would enable them to engage in lobbying in the US. Thus overall our results suggest that MNEs' generic experience reduces the imprinting effects of home institutions, as also recognised in some recent studies (Perkins, 2014;Stevens et al., 2015;Zhou and Guillén, 2015).

With regard to the role of specific *host country experience*, in line with experiential learning perspectives (Delios and Henisz, 2003b;Delios and Beamish, 2001), we had expected that (in our hypothesis 2b), with greater experience in the U.S., the imprinting effect of MNEs home country institutions would also reduce in the same way. Our results, however, only partially support this – i.e. although the sign of the interaction term is negative (in line with our arguments), the coefficients are not significant. A first theoretical explanation for this slightly unexpected finding could be that, due to MNEs' embeddedness in various institutional contexts,

their general experience plays a greater role in reducing the imprinting effect of home-institutions than their experience in the host-country. Recent studies suggest that the lack of host-country experience can be mitigated by MNEs' experience of operating in other similar institutional settings (Perkins, 2014;Powell and Rhee, 2013). Thus, in our case, MNEs' lack of U.S. experience could have been mitigated by their experience in other institutional settings similar to the U.S. Another tentative explanation for this finding could be that, in the U.S., CPA mechanisms other than lobbying – e.g. PAC contributions, were legitimised only recently (Levitt, 2015). Thus, within the timeframe of our panel data, lobbying has remained the dominant mechanism of CPA for foreign firms in the U.S., reducing the scope to use alternative mechanisms. We suggest that both of these aspects remain important limitations of our study and warrant further research.

Finally, our results also confirm that MNEs' *technological intensity* reduces the effect of home-institutional imprinting on overseas lobbying expenses. This supports our argument (in line with h3) that, due to the greater embeddedness of technologically intensive MNEs in multiple institutional contexts (Figueiredo, 2011;Meyer et al., 2011), such MNEs are more likely to develop 'generic political knowledge' (Bonardi and Vanden Bergh, 2015), thus reducing the imprinting effects of their home-institutions. In this context, we contribute to some recent studies that emphasise that managers of technologically intensive MNEs develop routines and processes that enable them to develop innovative products that can be sold in a variety of international markets; which reduces the need to adapt to the constraints of the local institutional environment, thus mitigating home imprinting effects (Hsu and Lim, 2013;Katila and Ahuja, 2002). We also contribute to studies in international business that have highlighted the importance of embeddedness in multiple institutional contexts for innovative MNEs (Ambos and Birkinshaw, 2010;Bloodgood et al., 1996;Ciabuschi et al., 2014;Hitt et al., 2016;Pla-Barber and Escribá-Esteve, 2006;Renko, Carsrud and Brännback, 2009), by

suggesting that such embeddedness reduce home imprinting effects in overseas political behaviour.

Conclusion

Our key contribution lies in enhancing theory on the nonmarket behaviour of MNEs in an international context. We do so by examining the extent to which MNEs' home-country influences the political knowledge and capabilities that MNEs develop, and transfer this knowledge to their overseas locations. Using insights from organisational imprinting theory (Stinchcombe, 1965) and recent work on MNEs' political knowledge (Bonardi and Vanden Bergh, 2015;Boddewyn, 2015), we explain that institutional conditions in MNEs' home countries affect their overseas lobbying behaviour. We also argue and find that MNEs' overall experience reduces the imprinting effects of its home institutions. Here we contribute to imprinting theory's 'liabilities of newness' concept (Freeman et al., 1983) by suggesting that political knowledge imprinted within MNEs affects newer firms more than older firms while lobbying overseas. Finally, we acknowledge the fact that MNEs' technological intensity also reduces home-institutional imprinting effects while undertaking nonmarket activities abroad. In this context, we contribute to studies that focus on how MNEs technological and innovation capabilities have complex effects on their political knowledge, and the extent to which this can have implications while operating overseas (Driffield, Love and Yang, 2014;Li and Kozhikode, 2009;Pearce, 1999). In sum, we suggest that political knowledge derived from the institutionally developed home-country environments enables firms originating from such environments to be more comfortable with lobbying overseas. We thus provide a more precise and fuller explanation to explain the choice a firm makes in undertaking nonmarket activities in a foreign host country. In doing so, we also advance the stream of research that focuses on the home-country as a resource (Lawton et al., 2013a;Driffield et al., 2014;Hong, Wang and

Kafouros, 2015), showing the extent to which political knowledge gained in the home country can be leveraged while operating overseas.

Our study provides several implications for managers of foreign MNEs doing business overseas, and particularly in the U.S. Mainly, our study shows that, due to home-institutional imprinting effects, managers of foreign firms from strongly institutionalised countries can benefit from the political knowledge developed within their home environments while lobbying overseas, particularly if legitimate business-government interfaces are available in the host country. On the contrary, managers of foreign firms founded in weakly institutionalized countries would refrain from using lobbying in the host country, despite the availability of transparent business-government interfaces. For instance, in the late 1980s, Japanese firm Toshiba was accused by the U.S. government of selling advanced propeller technology used in submarines to the Soviet Union in violation of the Coordinating Committee for Export Controls (COCOM). This led to potential boycott of Toshiba products in the U.S. by the U.S. Department of Defense and by other private companies. Toshiba responded by pledging not to make any illegal sales in the future, and by undertaking a lobbying and grassroots mobilisation campaign to inform the Congress that such sanctions would harm Toshiba's U.S. investments that involved more than 4,000 U.S. workers (Baron, 2003). As an outcome, Toshiba faced much fewer sanctions than previously expected. In contrast, in another instance, Jay Kim, a U.S. Congressman was convicted of accepting campaign contributions from South Korean companies in the mid-1990s. Campaign contributions were regarded as illegal at that time when accepted from subsidiaries of foreign firms (see Gawande, Krishna and Robbins, 2006;Pinkston and Carroll, 1994). In this context, Samsung, for instance, was found to be involved and was penalised by U.S. government (Rosenzweig, 1996). These two instances indicate that the imprinting effect of stronger home institutions in Japan could have led Toshiba to undertake information-based lobbying, whereas relatively weaker home-institutions in South Korea could

have led its companies to providing illegal campaign contributions despite the availability and legitimacy of lobbying in the U.S. Our findings also suggest that managers can reduce the imprinting effects of their political knowledge derived from their home institutions via experience (both general as well as host-country specific), and via investment in research and development activities. For instance, Samsung was newly founded in the 1990s, and therefore the imprinting effect of its home institutions could have been greater. On the contrary, Toshiba, by the 1980s was much more experienced and technologically intensive, enabling it to use additional legitimate political activities such as grassroots mobilisation in addition to lobbying. We therefore suggest that both experience and technological intensity enable MNEs to gain generic political knowledge of multiple institutional systems, and this could reduce the imprinting effect of political knowledge derived from their home countries.

Our key limitation is that, first, although lobbying is one of the important political tactics used by firms in the U.S. and dominates political spending by corporations (Wood, 1985;De Figueiredo and Richter, 2013;Levitt, 2015), other tactics do exist including contributions to political action committees (PACs) and coalition building with other interest groups such as NGOs and media (Hillman et al., 2004). Due to our data limitations, we are not able to account for the variety of tactics used in corporate political activities by MNEs. Second, we recognise that mechanisms that affect political behaviour of firms can be complex at the home country level. In addition to differences in governance factors, differences in institutions also arise from varieties of business systems among countries that affect the ways in which capital and labour-power is organised, economic exchanges and competing interests are governed, the nature and policies of the state that affect economic activities, the financial system, and education and training systems (Hotho and Pedersen, 2012). Qualitative differences among institutions also include dominant beliefs about trust, authority and loyalty, and all these have also been argued to affect the competitive advantages of businesses (Whitley, 1992, 1998). We therefore suggest

that future research could account for wider aspects of institutions – such as varieties of capitalism that may affect MNEs' overseas nonmarket behaviour. Thirdly, we also understand that MNEs' political and business ties and their ownership characteristics in their host countries can have path dependence effects on their lobbying behaviour in host countries (Sheng et al., 2011;Shirodkar and Mohr, 2015b). Again, due to our data limitations we are unable to control for this. Finally, we also recognise that our measure of technological intensity could have been more robust. Although we measure MNEs' technological intensity using MNEs' patents, which is a widely-accepted measure, using additional measures could have increased the robustness of our results. Therefore future research could include a variety of measures of technological intensity – e.g. product and process innovation in addition to patents. We suggest that all of these provide worthwhile avenues for future research.

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Appendix 1: Variable description, measurement, and sources

Variable	Description/Measurement	Data Source
LOBEXP	Lobbying expenditure (US$, thousands)	Center of Responsive Politics
SIZE	Log (MNE's operating revenue)	ORBIS
AGE	Log (1+ MNE age)	ORBIS
PUBLIC	A binary variable which takes the value of one if the MNE is a public firm and zero otherwise.	ORBIS
TECH	Technological Intensity (Number of patents/Total assets)	ORBIS
NSUBS	Number of US based subsidiaries of the MNE	ORBIS
GOV	Composite measure of home country institutional score based on the 6 dimensions of worldwide governance indicators (based on factor analysis)	Worldwide Governance Indicators
VA	Voice and Accountability	Worldwide Governance Indicators
PS	Political Stability and Absence of Violence	Worldwide Governance Indicators
GE	Government Effectiveness	Worldwide Governance Indicators
RQ	Regulatory Quality	Worldwide Governance Indicators
RL	Rule of Law	Worldwide Governance Indicators
CC	Control of Corruption	Worldwide Governance Indicators
GDPG	GDP growth rate in US	World Development Indicators
CDIST	A composite measure (calculated based on Kogut and Singh (1988) method) of cultural distance between the home and the host country based on the 9 cultural dimensions reported in GLOBE study: assertiveness, institutional collectivism, in-group collectivism, future orientation, gender egalitarianism, humane orientation, performance orientation, power distance, uncertainty avoidance	(House et al., 2004)
DIST	Geographical distance between the US and home country	Rose and Spiegel (2011)
FCRISIS	A dummy variable taking the value of 1 for years 2007, 2008 and 2009 and zero otherwise	
ELECTION	A dummy variable taking the value of 1 if a presidential election has taken place in a particular year in US and zero if not.	
HC	Human capital (Higher education and training) of the home country. This is a multi-indicator measure of human capital based on secondary and tertiary education enrolment rate, quality of the educational system, math and science education, and the management of schools, internet access in schools, local availability of specialized research and training services, and the extent of staff training.	Global Competitiveness Index (http://www.weforum.org/issues/global-competitiveness)
IPR	Measure of intellectual property protection strength of the home country	Global Competitiveness Index
USEXP	Log (1+ the number of years from the MNEs first entry to US)	Annual reports and the corporate websites of the respective MNEs.

Table 1: MNEs represented for each home country

Home country	Number of MNEs
Argentina	1
Australia	11
Austria	1
Brazil	11
China	23
Colombia	1
Denmark	3
Finland	2
France	48
Hong Kong	6
India	8
Ireland	8
Israel	2
Italy	11
Japan	94
Mexico	4
Netherlands	22
New Zealand	1
Portugal	1
Republic of Korea	27
Russia	1
Singapore	4
Spain	11
Sweden	10
Switzerland	18
Thailand	1
Turkey	1
United kingdom	46
Venezuela	1
Total	**378**

Table 2: Descriptive statistics and correlation matrix

						Correlation coefficients																			
Variable	Obs.	Mean	Std. Dev.	Min	Max	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1 LOBEXP	2863	368.26	1161.42	0	15990																				
2 GOV	2863	-0.1	1.06	-4.33	1.34	0.15																			
3 CC	2863	1.24	0.82	-1.3	2.6	0.15	0.98																		
4 GE	2863	1.31	0.6	-1.2	2.4	0.13	0.97	0.94																	
5 PS	2863	0.56	0.6	-1.6	1.5	0.08	0.84	0.83	0.84																
6 RQ	2863	1.14	0.61	-1.6	2	0.18	0.95	0.92	0.9	0.75															
7 RL	2863	1.2	0.69	-1.8	2	0.15	0.99	0.95	0.96	0.8	0.94														
8 VA	2863	0.92	0.75	-1.7	1.7	0.14	0.82	0.79	0.72	0.66	0.78	0.83													
9 SIZE	2863	10.12	0.78	6.47	13	0.2	0.05	0.05	0.03	0.06	0.04	0.05	0.13												
10 AGE	2863	3.73	1.01	0	5.85	-0.01	0.18	0.19	0.17	0.15	0.13	0.18	0.27	0.11											
11 TECH	2863	320.25	1045.48	0	10692.86	-0.02	0.01	0	0.05	0.12	-0.06	0	-0.04	0.06	0.13										
12 PUBLIC	2863	0.83	0.38	0	1	0.04	0.07	0.06	0.09	0.05	0.05	0.09	0.08	0	0.11	0.08									
13 NSUBS	2863	126.71	242.08	0	1000	0.14	0.2	0.2	0.17	0.15	0.23	0.2	0.2	0.12	0.05	-0.06	-0.12								
14 GDPG	2863	1.31	1.79	-2.8	2.78	-0.04	0.01	0.01	0	0.05	0.01	0.01	0.01	0.05	0.01	0	0	0							
15 DIST	2863	5644.85	1404.33	1076.36	9449.91	-0.16	-0.16	-0.17	-0.08	-0.04	-0.23	-0.16	-0.38	-0.15	-0.05	0.13	0.01	-0.11	0						
16 CDIST	2863	1.51	0.71	0.12	4.62	-0.12	-0.28	-0.31	-0.21	-0.13	-0.32	-0.27	-0.23	-0.03	-0.08	0.02	-0.04	-0.11	0	0.09					
17 FCRISIS	2863	0.37	0.48	0	1	0.05	-0.01	-0.03	0.01	-0.04	0.01	-0.01	-0.02	-0.09	-0.02	0.01	0	0.01	-0.75	0	0				
18 ELECTION	2863	0.25	0.43	0	1	0.05	-0.01	0	-0.02	-0.02	0	-0.01	0	0.03	0	0	0	0	-0.01	0	0	0.14			
19 HC	2863	5.17	0.51	3.6	6.27	0.11	0.9	0.86	0.91	0.8	0.84	0.9	0.75	0.08	0.16	0.01	0.07	0.16	0.13	-0.14	-0.06	-0.13	0		
20 IPR	2863	5.21	0.88	1.64	6.33	0.13	0.91	0.9	0.91	0.78	0.83	0.91	0.68	0.03	0.17	0.03	0.08	0.19	0	-0.13	-0.33	0.06	0.01	0.83	
21 USEXP*	2158	3.10	1.07	0.00	5.16	0.09	0.20	0.19	0.18	0.21	0.17	0.20	0.23	0.10	0.26	-0.02	0.03	0.14	0.02	-0.10	-0.05	-0.03	0.00	0.21	0.19

*separately estimated for the respective sample

Table 3: Direct effect of institutional imprinting on lobbying

	HII=GOV	HII = CC	HII = GE	HII = PS	HII = RQ	HII = RL	HII = VA
	3.1	3.2	3.3	3.4	3.5	3.6	3.7
HII	317.6***	255.3***	479.2**	137.4	344.5***	433.8***	143.9**
	(88.49)	(96.52)	(189.3)	(148.0)	(97.40)	(142.4)	(73.29)
TECH	-0.0679***	-0.0598***	-0.0759***	-0.0696***	-0.0630***	-0.0665***	-0.0596***
	(0.0217)	(0.0210)	(0.0263)	(0.0235)	(0.0204)	(0.0216)	(0.0225)
SIZE	151.5***	147.9***	156.1***	141.5***	151.2***	145.9***	138.3***
	(46.75)	(44.99)	(48.48)	(43.71)	(47.13)	(46.61)	(44.80)
AGE	-63.02	-64.88	-55.46	-56.38	-52.57	-61.98	-68.92
	(49.71)	(49.64)	(49.92)	(50.21)	(49.29)	(50.32)	(51.56)
PUBLIC	17.74	33.86	23.09	46.46	35.21	16.78	33.45
	(118.3)	(118.7)	(120.8)	(125.0)	(120.7)	(118.8)	(123.6)
NSUBS	0.656*	0.696*	0.682*	0.727*	0.669	0.664*	0.717*
	(0.393)	(0.404)	(0.390)	(0.421)	(0.409)	(0.387)	(0.407)
GDPG	5.332	3.478	0.353	-5.696	-3.468	5.462	-2.985
	(7.170)	(6.993)	(7.442)	(6.653)	(7.227)	(6.731)	(6.112)
DIST	-0.0900***	-0.0947***	-0.107***	-0.108***	-0.0851***	-0.0935***	-0.0846***
	(0.0270)	(0.0302)	(0.0301)	(0.0317)	(0.0301)	(0.0257)	(0.0324)
CDIST	-156.5*	-176.8*	-187.2**	-229.2**	-167.2	-170.9**	-214.8**
	(88.33)	(97.98)	(86.89)	(106.1)	(101.9)	(82.10)	(99.64)
FCRISIS	147.1**	159.8**	117.0*	131.8*	116.0*	150.4**	134.5*
	(70.77)	(72.85)	(64.95)	(70.88)	(68.15)	(71.04)	(70.17)
ELECTION	109.8***	101.4***	123.1***	108.4***	110.1***	108.5***	104.6***
	(34.17)	(33.45)	(36.41)	(32.49)	(33.84)	(33.67)	(32.75)
HC	-143.9	-13.10	-149.3	45.27	-52.80	-105.0	42.08
	(125.9)	(133.6)	(131.1)	(181.1)	(137.1)	(118.9)	(137.0)
IPR	-230.2*	-201.5	-206.2	-159.8	-180.5	-228.2	-155.8
	(134.3)	(122.5)	(139.7)	(117.4)	(125.8)	(142.8)	(126.6)
Constant	1,780***	616.7	1,102*	558.9	529.8	1,165*	494.6
	(610.1)	(524.3)	(581.0)	(651.0)	(498.9)	(607.0)	(660.2)
N	2,863	2,863	2,863	2,863	2,863	2,863	2,863
Firms	378	378	378	378	378	378	378
R2	0.155	0.151	0.152	0.137	0.154	0.153	0.138

Robust standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1
Notes: Industry specific dummies are not reported for brevity.

Table 4: Direct effect of institutional imprinting on lobbying (with splitting the sample at the median value of institutional variable)

	Countries with institutional value below the median	Countries with institutional value above the median
	4.1	4.2
HII (= GOV)	103.7***	700.8***
	(30.65)	(213.5)
TECH	-0.0292***	-0.0715*
	(0.0113)	(0.0370)
SIZE	114.3**	281.3***
	(50.86)	(95.17)
AGE	-32.65	-83.58
	(72.94)	(67.37)
PUBLIC	86.98	43.38
	(62.29)	(156.3)
NSUBS	0.385	0.645
	(0.247)	(0.426)
GDPG	0.0776	11.59
	(4.554)	(13.59)
DIST	-0.0354	-0.145***
	(0.0275)	(0.0414)
CDIST	-41.22	-172.1**
	(108.4)	(86.92)
FCRISIS	61.83*	153.5
	(32.00)	(116.5)
ELECTION	25.36	213.6***
	(26.01)	(63.57)
HC	-134.3	-410.5
	(106.3)	(307.0)
IPR	-33.99	-425.6
	(36.87)	(263.9)
Constant	500.5	3,681**
	(467.6)	(1,785)
N	1,422	1,441
Firms	246	274
R2	0.101	0.196

Robust standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1
Notes: Industry specific dummies are not reported for brevity.

Table 5: Moderating effect of MNE's general experience on Home Institutional Imprinting - Lobbying relationship

	HII=GOV	HII = CC	HII = GE	HII = PS	HII = RQ	HII = RL	HII = VA
	5.1	5.2	5.3	5.4	5.5	5.6	5.7
HII* AGE	-18.00	-54.37*	3.003	-87.54*	-31.49	-17.59	-7.046
	(25.42)	(32.36)	(55.70)	(47.34)	(47.82)	(35.68)	(37.64)
HII	381.2***	452.0***	468.3**	465.2**	458.5***	496.2**	165.9
	(121.4)	(129.4)	(223.3)	(185.0)	(177.8)	(197.1)	(130.5)
AGE	-62.35	6.022	-59.62	-3.946	-12.62	-39.27	-62.07
	(49.15)	(52.98)	(75.07)	(54.71)	(59.38)	(54.66)	(49.39)
TECH	-0.0671***	-0.0586***	-0.0760***	-0.0660***	-0.0626***	-0.0661***	-0.0595***
	(0.0218)	(0.0211)	(0.0267)	(0.0233)	(0.0205)	(0.0218)	(0.0228)
SIZE	149.2***	143.3***	156.2***	137.4***	148.9***	144.4***	137.4***
	(46.56)	(44.56)	(48.38)	(43.60)	(46.11)	(46.65)	(45.13)
PUBLIC	17.71	32.72	23.21	42.25	34.92	17.04	34.25
	(118.4)	(118.7)	(120.3)	(124.7)	(120.9)	(119.1)	(124.2)
NSUBS	0.667*	0.721*	0.681*	0.742*	0.678	0.671*	0.721*
	(0.399)	(0.411)	(0.397)	(0.424)	(0.419)	(0.390)	(0.410)
GDPG	5.559	3.863	0.337	-4.801	-3.162	5.646	-2.920
	(7.082)	(6.905)	(7.350)	(6.717)	(7.092)	(6.694)	(6.151)
DIST	-0.0887***	-0.0914***	-0.107***	-0.105***	-0.0838***	-0.0927***	-0.0845***
	(0.0270)	(0.0300)	(0.0299)	(0.0315)	(0.0294)	(0.0260)	(0.0325)
CDIST	-153.3*	-168.1*	-187.5**	-223.3**	-163.8*	-168.8**	-214.5**
	(87.06)	(96.27)	(85.55)	(105.3)	(99.14)	(81.63)	(99.25)
FCRISIS	146.7**	158.2**	116.9*	132.2*	116.4*	150.1**	134.5*
	(70.57)	(72.05)	(64.99)	(70.84)	(68.31)	(70.98)	(70.10)
ELECTION	109.7***	101.7***	123.2***	107.8***	109.9***	108.5***	104.6***
	(34.28)	(33.40)	(36.70)	(32.82)	(33.87)	(33.76)	(32.76)
HC	-150.3	-27.11	-148.8	31.56	-59.48	-110.2	40.70
	(125.5)	(130.4)	(129.7)	(179.1)	(133.0)	(121.2)	(137.0)
IPR	-230.1*	-203.1*	-206.3	-163.8	-181.2	-227.9	-156.0
	(134.3)	(123.2)	(139.7)	(117.7)	(126.5)	(142.8)	(126.7)
Constant	1,830***	461.4	1,114*	472.4	439.8	1,125*	490.7
	(627.8)	(499.0)	(586.6)	(631.1)	(471.2)	(578.4)	(651.5)
N	2,863	2,863	2,863	2,863	2,863	2,863	2,863
Firms	378	378	378	378	378	378	378
R2	0.154	0.151	0.152	0.136	0.153	0.152	0.137

Robust standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1
Notes: Industry specific dummies are not reported for brevity.

Table 6: Moderating effect of Host country experience on Home Institutional Imprinting - Lobbying relationship

	HII=GOV	HII = CC	HII = GE	HII = PS	HII = RQ	HII = RL	HII = VA
	6.1	6.2	6.3	6.4	6.5	6.6	6.7
HII* USEXP	-5.366	-27.45	-4.643	-65.87	-47.11	-3.603	6.370
	(31.88)	(49.24)	(57.70)	(79.83)	(66.03)	(39.01)	(37.19)
HII	441.0***	456.3***	727.0**	356.2**	512.4**	561.7**	149.4
	(159.0)	(170.9)	(302.7)	(173.9)	(200.7)	(239.1)	(133.5)
USEXP	-3.289	33.21	9.510	33.53	57.40	1.623	-4.668
	(44.93)	(54.27)	(62.88)	(49.56)	(70.70)	(40.53)	(38.38)
TECH	-	-	-	-	-	-	-
	0.0728***	0.0626***	0.0838***	0.0729***	0.0649***	0.0709***	0.0631***
	(0.0217)	(0.0208)	(0.0275)	(0.0251)	(0.0218)	(0.0219)	(0.0243)
SIZE	174.7***	170.6***	183.7***	164.0***	170.6***	167.9***	161.3***
	(63.74)	(61.05)	(66.87)	(59.17)	(62.98)	(63.55)	(60.70)
AGE	-105.9*	-107.9*	-95.71	-91.74	-88.90	-102.1	-106.1*
	(61.26)	(60.04)	(61.17)	(63.48)	(59.85)	(62.18)	(63.13)
PUBLIC	-77.68	-61.18	-85.51	-50.70	-59.06	-77.37	-63.69
	(166.1)	(164.4)	(167.7)	(167.9)	(168.7)	(168.1)	(171.8)
NSUBS	0.643	0.687	0.663	0.731	0.674	0.653	0.708
	(0.442)	(0.454)	(0.431)	(0.468)	(0.461)	(0.435)	(0.451)
GDPG	11.92	10.30	6.279	-3.139	-1.022	11.17	-0.812
	(9.477)	(9.235)	(9.848)	(8.740)	(9.327)	(9.069)	(8.423)
DIST	-0.100***	-0.105***	-0.128***	-0.125***	-0.0978**	-0.104***	-0.0946**
	(0.0353)	(0.0386)	(0.0395)	(0.0395)	(0.0399)	(0.0342)	(0.0421)
CDIST	-204.6**	-222.0**	-241.2**	-295.8***	-230.1**	-226.3**	-280.1**
	(97.83)	(107.9)	(95.25)	(112.9)	(114.6)	(91.54)	(111.0)
FCRISIS	207.2**	226.7**	166.6**	185.6**	169.7*	210.4**	188.6**
	(90.02)	(92.61)	(81.76)	(90.71)	(88.40)	(90.42)	(90.09)
ELECTION	129.3***	116.4***	149.5***	126.5***	128.5***	127.4***	121.0***
	(41.36)	(40.01)	(43.97)	(38.76)	(40.90)	(40.67)	(39.18)
HC	-136.6	16.00	-178.3	122.8	20.63	-64.74	134.8
	(134.6)	(147.1)	(156.1)	(201.5)	(150.2)	(127.2)	(153.4)
IPR	-305.7*	-273.0*	-286.4*	-211.6	-230.7	-297.9*	-203.5
	(158.4)	(140.8)	(167.4)	(133.8)	(147.2)	(168.9)	(146.5)
Constant	2,293***	717.3	1,518**	525.3	424.4	1,338*	417.8
	(875.0)	(685.4)	(757.3)	(902.9)	(663.6)	(777.4)	(849.6)
N	2,158	2,158	2,158	2,158	2,158	2,158	2,158
Firms	302	302	302	302	302	302	302
R2	0.174	0.170	0.176	0.149	0.166	0.170	0.152

Robust standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1
Notes: Industry specific dummies are not reported for brevity.

Table 7: Moderating effect of Technological intensity on Home Institutional Imprinting - Lobbying relationship

	HII=GOV	HII = CC	HII = GE	HII = PS	HII = RQ	HII = RL	HII = VA
	7.1	7.2	7.3	7.4	7.5	7.6	7.7
HII* TECH	-0.0172**	-0.0461***	-0.0292*	-0.0110	-0.0228	-0.0262*	-0.0268**
	(0.00758)	(0.0153)	(0.0171)	(0.0302)	(0.0205)	(0.0143)	(0.0105)
HII	316.3***	263.5***	478.4**	138.3	345.6***	431.6***	146.5**
	(88.66)	(93.56)	(189.5)	(148.5)	(97.62)	(142.7)	(72.99)
TECH	-0.0773***	-0.0192	-0.0415*	-0.0631**	-0.0443**	-0.0434**	-0.0519**
	(0.0277)	(0.0334)	(0.0240)	(0.0297)	(0.0176)	(0.0178)	(0.0222)
SIZE	153.1***	151.3***	157.6***	142.0***	152.1***	147.6***	141.2***
	(46.72)	(45.33)	(48.39)	(42.97)	(46.89)	(46.54)	(45.17)
AGE	-61.40	-61.63	-54.15	-55.90	-51.61	-60.41	-66.63
	(50.17)	(50.08)	(50.37)	(50.67)	(49.64)	(50.79)	(51.89)
PUBLIC	22.04	41.16	26.83	47.89	37.93	21.11	40.24
	(118.2)	(118.5)	(120.7)	(124.6)	(120.6)	(118.7)	(123.8)
NSUBS	0.654*	0.691*	0.680*	0.726*	0.667	0.662*	0.714*
	(0.393)	(0.403)	(0.390)	(0.422)	(0.409)	(0.387)	(0.406)
GDPG	4.965	2.686	0.136	-5.712	-3.597	5.131	-3.350
	(7.180)	(6.897)	(7.470)	(6.690)	(7.273)	(6.790)	(6.105)
DIST	-0.0894***	-0.0932***	-0.107***	-0.108***	-0.0848***	-0.0929***	-0.0831***
	(0.0270)	(0.0299)	(0.0300)	(0.0317)	(0.0300)	(0.0257)	(0.0322)
CDIST	-157.0*	-177.1*	-187.1**	-229.4**	-167.0	-171.1**	-214.2**
	(88.12)	(97.51)	(86.77)	(106.0)	(101.9)	(81.96)	(99.24)
FCRISIS	146.1**	155.8**	116.6*	131.7*	115.8*	149.8**	133.8*
	(70.45)	(71.20)	(64.80)	(70.97)	(68.09)	(70.92)	(69.89)
ELECTION	109.8***	102.3***	122.6***	108.1***	110.1***	108.5***	104.8***
	(34.19)	(33.16)	(36.55)	(32.52)	(33.84)	(33.69)	(32.74)
HC	-139.1	-10.84	-146.0	46.11	-50.26	-100.3	46.19
	(126.9)	(134.0)	(131.6)	(180.9)	(137.1)	(119.7)	(137.0)
IPR	-227.9*	-200.5	-204.0	-159.4	-179.5	-225.6	-153.6
	(134.6)	(123.2)	(140.0)	(118.4)	(126.0)	(143.3)	(126.6)
Constant	1,719***	537.9	1,052*	544.0	495.4	1,104*	413.3
	(627.9)	(531.0)	(599.3)	(654.0)	(506.1)	(626.2)	(663.8)
N	2,863	2,863	2,863	2,863	2,863	2,863	2,863
Firms	378	378	378	378	378	378	378
R2	0.155	0.153	0.152	0.137	0.155	0.153	0.139

Robust standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1
Notes: Industry specific dummies are not reported for brevity.